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EXAMINER

COBANOGU, DILEK B

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3626

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/490,783
Filing Date: January 24, 2000
Appellant(s): JOHNSON, RICHARD C.

Alan W. Young
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 9/20/2007 appealing from the Office action mailed 4/06/2007.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

Art Unit: 3626

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

NEW GROUND(S) OF REJECTION

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 7 and 13 are rejected under 35 U.S.C. 101 for being directed to a non-statutory subject matter because the claimed subject matter failed the machine-or-transformation test. Based on Supreme Court precedent (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2)

Art Unit: 3626

transform underlying subject matter (such as article or materials) to a different state or thing (Gottschalk v. Benson, 409 U.S. 63, 70 (1972)).

With respect to Claims 1, 7 and 13, the claim language does not include the required tie in the body of the claim or transformation that would provide the application of the test to the claim to reach the conclusion of nonstatutory subject matter.

Claims 1, 7 and 13 do not recite a particular apparatus, therefore are rejected under 35 U.S.C. 101, for reciting a non-statutory subject matter.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

6,807,530	SHUB et al.	10-2004
6,539,630	KADABA	03-2003

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 7 and 13 are rejected under 35 U.S.C. 101 for being directed to a non-statutory subject matter because the claimed subject matter failed the machine-or-transformation test. Based on Supreme Court precedent (Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876)) and recent Federal Circuit decisions, 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2)

Art Unit: 3626

transform underlying subject matter (such as article or materials) to a different state or thing (Gottschalk v. Benson, 409 U.S. 63, 70 (1972)).

With respect to Claims 1, 7 and 13, the claim language does not include the required tie in the body of the claim or transformation that would provide the application of the test to the claim to reach the conclusion of nonstatutory subject matter.

Claims 1, 7 and 13 do not recite a particular apparatus, therefore are rejected under 35 U.S.C. 101, for reciting a non-statutory subject matter.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-4, 7-10, and 13-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shub et al., U.S. Patent No. 6,807,530 in view of Kadaba, U.S. Patent No. 6,539,360.

As per claim 1, Shub teaches a method for a bank to enable anonymous shipment by a shipper of a package containing goods purchased by a customer from a vendor for delivery to an address unknown to the vendor, the customer maintaining an account at the bank, the bank storing an address associated with the customer's account, the method comprising the steps of: the bank receiving an electronic draft from the customer for the purchase of goods along with a request for a package code for the package (see column 4, lines 40-46); the bank authenticating the customer and guaranteeing payment to the vendor on the draft only if the customer is authenticated and bank-imposed restrictions are met (see column 4, lines 43-46); if the customer is authenticated and bank-imposed restrictions are met, the bank generating the

Art Unit: 3626

requested package code, the package code being devoid of delivery address information (see column 4, lines 49-54, i.e. x1); the bank sending the generated package code to the vendor, wherein the bank does not send any delivery address information for the package to the vendor (see column 5, lines 15-20); the bank generating a shipping identifier (i.e. x2) for the package that is associated with the generated package code and retrieving the stored address associated with the customer's account (see column 5, lines 31-34); and the bank sending the generated shipping identifier and the retrieved address associated with the customer's account at the bank to the shipper to enable the shipper, after picking up the package for shipment from the vendor, to associate the package code sent to the vendor with the shipping identifier, to identify the associated address as the delivery address of the package, and to ship the package directly from the vendor to the delivery address without divulging any delivery address from the package to the vendor (see column 5, lines 48-61).

Shub does not explicitly indicate whether or not the carriers and clearing houses need to be operated by different companies. However, it is respectfully submitted that it is old and well known in the art of shipping that shipping companies often employ multiple carriers and clearing houses to distribute shipped packages throughout a country and worldwide. In particular, Kadaba teaches a method for shipping packages via multiple carriers (i.e. delivery vehicles) and multiple clearinghouses (i.e. service centers and hubs). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this shipping architecture into the method of Shub such that the payment agency need only communicate with a single "shipper" (in the case of Kadaba, UPS). One of ordinary skill in the art would have been motivated to incorporate this architecture for the purpose of implementing the method Of Shub within existing commercial distribution channels, whit which merchants are already familiar such as UPS (see column 1, lines 65-67 of Shub).

Art Unit: 3626

As per claim 2, Shub in view of Kadaba teaches the method of claim 1 as described above. Shub further teaches the package code includes at least one of a code number and machine-readable indicia expressing the code number (see column 4, lines 49-51).

As per claim 3, Shub in view of Kadaba teaches the method of claim 1 as described above. Shub further teaches the received request includes at least one of a request for authentication and an electronic draft for payment of at least one of the purchased goods and a shipping charge (see column 4, lines 40-46).

As per claim 4, Shub in view of Kadaba teaches the method of claim 1 as described above. Shub further teaches the receiving and sending steps are performed over a computer network (see column 1, lines 53-59).

Claims 7-10 and 13-16 recite substantially similar limitations, from the perspective of the shipper and vendor respectively, to claims 1-4, which is from the perspective of the bank. Therefore, claims 7-10 and 13-16 are rejected for similar reasons as given above.

(10) Response to Argument

In the Appeal Brief filed 9/20/07, Appellant makes the following arguments:

A) the proposed combination of Shub and Kadaba would render Shub unsatisfactory for its intended purpose and impermissibly change its principle of operation.

B) there is no teaching or suggestion within Shub to aggregate the first and second clearing houses and the first and second carriers.

C) Shub in view of Kadaba fails to teach the bank receiving an electronic draft from the customer for the purchase of the goods along with a request for a package code for the package.

Art Unit: 3626

D) Shub in view of Kadaba fails to teach the bank sending the generated shipping identifier and the retrieved address associated with the customer's account at the bank to the shipper.

E) Shub in view of Kadaba fails to teach the vendor receiving payment and a package code form the bank.

The Examiner will address the arguments in the order that they appear in the Appeal Brief.

Argument A:

In response to Appellant's first argument, the teachings of Kadaba have been relied upon to teach that a single carrier may include a plurality of clearinghouses or hubs and use a plurality of "shippers" in the process of delivering a shipment from an origin to its final destination. In such a scenario, although the carrier is made up of a plurality of entities (multiple clearing houses and multiple "shippers"), collectively, these multiple entities may be construed as a Single carrier such as UPS. Therefore, under this scenario, the process described by Shub would still take place exactly as described but any communication to or from a clearinghouse of the carrier or a "shipper" of the carrier could be fairly construed as being to or from the single carrier such as UPS. In other words, the proposed combination of Shub and Kadaba does not modify anything within the method of Shub. Rather, the proposed combination merely views the method of Shub through lens of a real world, commercial application. In fact, such a perspective is urged by Shub by indicating that "there is a need for making sure that all services and goods are paid for in a secure way and orders can be confirmed, without much alteration to traditional distribution channels which have proven efficient and with which most merchants feel comfortable (see column 1, lines 45-50).

Art Unit: 3626

Furthermore, under the proposed scenario, the carrier would still not have Complete knowledge of the transaction. It does not appear that any of the clearinghouses or "shippers" are given the customer's name, only the address of the customer. It also does not appear that the clearinghouses or "shippers" are given any information identifying the goods that have been purchased, only the cost of the transaction. Indeed, Shub states that nobody knows both the identity of the customer and what is bought in the transaction (see column 2, lines 9-11). In addition, Applicant has not pointed to any portion of Shub that discloses any combination of the clearinghouses and shippers being given the identity of the customer and/or the identity of what was bought in the transaction. Therefore, assertion that the proposed combination would render Shub unsatisfactory for its intended purpose and impermissibly change its principle of operation amounts to a mere conclusion that is unsupported by any factual basis.

It should also be noted that Applicant's arguments against Shub are quite different from cases cited in support thereof. For example, it would not be obvious to turn a strainer for removing dirt and water from gasoline upside down because, by doing so, dirt and water would no longer be removed. On the other hand, the proposed combination of Shub and Kadaba still clearly results in the customer's package being delivered to the customer and, as shown above, various, crucial pieces of customer information from the transaction are still protected. The Examiner is not suggesting a modification in which the customer's package is never delivered or certain steps cannot be carried out. In fact, as noted above, the proposed combination does not actually modify anything within Shub. It merely views the references through the perspective of an old and well known commercial embodiment. Appellant's assertion, at page 25 of the Brief, that the Examiner has taken the position that it is acceptable to remove anonymity from Shub as long as the package gets delivered to the customer, is completely false and misleading. As

Art Unit: 3626

described above, the proposed modification does not strip any steps or functions taught by Shub.

Argument B:

In response to Appellant's second argument, the Examiner agrees that Shub does not explicitly teach that one could embody the clearinghouses and shippers in a single carrier such as UPS. However, "a suggestion, teaching, or motivation to combine the relevant prior art teachings does not have to be found explicitly in the prior art, as the teaching, motivation, or suggestion may be implicit from the prior art as a whole, rather than expressly stated in the references The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art." In re Kotzab, 217 F.3d 1365, 1370 (Fed. Cir. 2000). The Examiner respectfully submits that the proposed combination of Shub and Kadaba naturally flows from the teachings of Shub, given the level of ordinary skill in the art. In particular, Shub suggests that "there is a need for making sure that all services and goods are paid for in a secure way and orders can be confirmed, without much alteration to traditional distribution channels which have proven efficient and with which most merchants feel comfortable (see column 1, lines 45-50). Additionally, Shub suggests that an object of the invention is "to be operable with existing commercial distribution channels, with which merchants are already familiar (see column 1, lines 65-67). Therefore, Shub clearly suggests that the invention be embodied in established distribution channels, such as UPS. Appellant has completely ignored these objectives of Shub despite the fact that they are crucial in the determination of obviousness.

Argument C:

Art Unit: 3626

In response to Appellant's third argument, it is respectfully submitted that the Examiner is interpreting the teaching in Shub of confirming that funds for the transaction are available (see column 4, lines 44-46) is a form of receiving an electronic draft from the customer. It is submitted that this is a reasonable interpretation because this "electronic draft" is based on the transaction total charged to the customer (see column 4, lines 25-39). Furthermore, in response to this "electronic draft," the merchant is paid (see column 5, lines 13-14). Secondly, the Examiner interprets this step of confirming with the bank that funds are available to be a form of "request for a package code for the package." It is again submitted that this is a fair interpretation because: (a) claim 1 only requires that an electronic draft come from the customer but does not specify an origination for the request; and (b) in response to this "request," the merchant is ultimately sent a bank generated package code (see column 5, lines 15-17) via the first clearinghouse which, in the Shub-Kadaba combination, is construed to be a collective shipping entity.

Argument D:

In response to Appellant's fourth argument, for clarity, the Examiner wishes to reiterate, as stated in the above rejections, that X1 is being interpreted to be a "package code" as claimed and X2 to be a "shipping identifier" as claimed. Additionally, it should be noted that both X1 and X2 are transferred multiple times during the course of the Shub method. This is an important point because Appellant's argument at page 26 of the Brief relies on an assertion the bank is provided with X2 by the second carrier by referencing a drawing, created by Appellant, with no corresponding citation to Shub. Nevertheless, Shub unmistakably teaches that the bank sends X2 (the generated shipping identifier) to the first clearing house (part of the shipping entity in the

Art Unit: 3626

Shub-Kadaba combination) (see column 4, lines 49-5.1). Shub also unmistakably teaches that the bank sends the retrieved address associated with the customer's account at the bank to the second carrier (part of the shipping entity in the Shub-Kadaba combination) (see column 5, lines 48-54). Therefore, Shub in view of Kadaba clearly teaches this limitation as recited.

Argument E:

In response to Appellant's final argument, it is respectfully submitted that Appellant has failed to consider the entire teachings of Shub when stating that "the merchant 103 does not receive anything from the customer's payment agency" (see page 32 of the Brief). This is not surprising because, again, the argument is not based on the teachings of Shub, but rather based on the drawing created by Appellant and included at page 19 of the Brief. Shub teaches that the merchant receives payment from the payment agency through the first clearinghouse (see column 4, lines 40-49 and column 5, lines 11-15). Here, the first clearinghouse is merely acting as a distribution point for transferring funds from the payment agency to the merchant. If one were to merely consider the drawing Created by Appellant at page 19 of the Brief, it would appear the first clearinghouse, alone, was responsible for generating and transmitting the funds to the merchant. However, this is clearly not the case as shown above. Similarly, Shub teaches that the merchant receives XI (package code) from the payment agency through the first clearinghouse (see 4, lines 40-51 and column 5, lines 11-20). Again, this is not accurately portrayed in Appellant's drawing. Therefore, this argument is not found to be persuasive.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of

Art Unit: 3626

the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Dilek B Cobanoglu/
Examiner, Art Unit 3626
11/18/2008

/C Luke Gilligan/
Supervisory Patent Examiner, Art Unit 3626

Art Unit: 3626

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:

Conferees:

/C. G./

C. Luke Gilligan

Supervisory Patent Examiner, Art Unit 3626

Vincent Millin

Appeals Practice Specialist, TC 3600



WYNN W. COGGINS
TECHNOLOGY CENTER DIRECTOR